

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Section 219 as follows:

6 (35 ILCS 5/219 new)

7 Sec. 219. Credit for rehabilitation of vacant buildings.

8 (a) For taxable years beginning on or after January 1,
9 2010, each taxpayer who is the owner or tenant of a building
10 that (i) is located in an Enterprise Zone, River Edge
11 Redevelopment Zone, or federally designated Foreign Trade Zone
12 or Sub-Zone, (ii) is at least 20 years old, and (iii) has been
13 unoccupied for a period of 2 consecutive years at any point
14 during the taxable year is allowed a credit against the tax
15 imposed by subsections (a) and (b) of Section 201 in an amount
16 equal to (i) 25% of the aggregate qualified expenditures made
17 by the taxpayer during the taxable year for the purpose of
18 rehabilitating the building or (ii) \$50,000 per building,
19 whichever is less.

20 (b) Any taxpayer who is allowed a credit for costs incurred
21 in the rehabilitation of property pursuant to the provisions of
22 Section 38 of the federal Internal Revenue Code of 1986, as
23 amended, shall not be allowed a credit under this Section.

1 (c) If the amount of the credit exceeds the taxpayer's
2 liability for that year, whether it exceeds the original
3 liability or the liability as later amended, that excess may be
4 carried forward and applied to the tax liability of the 5
5 taxable years following the excess credit year. The credit
6 shall be applied to the earliest year for which there is a
7 liability. If there is a credit from more than one tax year
8 that is available to offset a liability, then the earlier
9 credit shall be applied first.

10 (d) For the purposes of this Section, the following terms
11 have the following meanings:

12 "Qualified expenditures" means expenditures associated
13 with any exterior improvements, structural improvements,
14 mechanical improvements, or electrical improvements necessary
15 to rehabilitate for commercial or industrial business use a
16 building that meets the requirements established in subsection
17 (a) of this Section.

18 "Qualified expenditures" also includes, but is not limited
19 to, expenditures associated with demolition, carpentry,
20 sheetrock, plaster, painting, ceilings, fixtures, doors,
21 windows, sprinkler systems installed for fire protection
22 purposes, roofing and flashing, exterior repair, tuckpointing,
23 and cleanup.

24 "Qualified expenditures" does not include expenditures
25 commonly referred to as soft costs, which include, but are not
26 limited to, costs associated with appraisals; architectural,

1 engineering, and interior design fees; legal, accounting, and
2 realtor fees; loan fees; sales and marketing; closing; building
3 permit, use, and inspection fees; bids; insurance; project
4 signs and phones; temporary power; bid bonds; copying; rent
5 loss during construction; costs included with acquisition;
6 interior furnishings; new additions except as may be required
7 to comply with building and safety codes; excavation; grading;
8 paving; landscaping; and repairs to outbuildings.

9 "Business" means a for-profit legal entity, including, but
10 not limited to, any sole proprietorship, partnership,
11 corporation, joint venture, association, or cooperative.

12 (e) Taxpayers claiming the credit allowed by this Section
13 shall furnish the Zone Administrator with copies of any
14 receipts, bills, or other documentation of the qualified
15 expenditures claimed for the purpose of this credit for
16 certification by the Zone Administrator. Any form filed with
17 the Department of Revenue for the purpose of claiming a credit
18 under this Section shall be accompanied by a copy of the
19 certification of qualified expenditures furnished to the
20 taxpayer by the Zone Administrator. The taxpayer shall make
21 available to the Department of Revenue, upon request, copies of
22 any receipts, bills, or other documentation of any qualified
23 expenditures claimed by the taxpayer for the purpose of this
24 credit.

25 (f) This Section is exempt from the provisions of Section
26 250.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.